



# NEWS RELEASE

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## **BLM and El Paso Sign Agreements to Protect Valle Vidal While Developing Natural Gas under Privately Owned Vermejo Park**

The Bureau of Land Management has signed 25 compensatory royalty agreements with El Paso Exploration & Production Company to allow for the drilling of 25 wells on the privately owned Vermejo Park Ranch. The wells will be located near the northeast border of Valle Vidal, but not on the National Forest.

The agreements will allow development of privately owned natural gas near the Valle Vidal, and ensure royalty compensation for the potential drainage of natural gas from unleased federal land.

“Staff from Vermejo Park worked with El Paso to select well sites that will minimize impacts to the environment,” said Linda Rundell, New Mexico State Director of the BLM, who added that a similar process was used by the ranch and El Paso to locate wells on other portions of Vermejo Park.

The natural gas fields within the Vermejo Park Ranch are being developed at four wells per square mile (160-acre spacing), which conforms with State spacing requirements. Along the irregular boundary of the ranch and Valle Vidal, many of the spacing units, if developed, would drain natural gas from the Valle Vidal Unit of the Carson National Forest.

“El Paso has the right to develop its private minerals,” Rundell added. “The agreements will ensure that the federal and state governments are fairly compensated for the natural gas that is drained from the federal portion of each spacing unit.”

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